

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

IN THE MATTER OF THE VERIFIED PETITION)	<u>TELECOMMUNICATIONS</u>
OF BROADVIEW NP ACQUISITION CORP.)	
D/B/A BROADVIEW NET PLUS FOR)	
EXPEDITED APPROVAL TO BECOME A)	ORDER OF APPROVAL
BORROWER AND PROVIDE SECURITY IN)	
CONNECTION WITH AN EXISTING CREDIT)	
FACILITY FOR ITS PARENT, BROADVIEW)	DOCKET NO: TF02090671
NETWORKS HOLDINGS, INC.)	

Norris,McLaughlin & Marcus, P.A., James H. Laskey, Esq., Somerville, New Jersey and
Kelley, Drye & Warren L.L.P., Melissa Smith Conway, Esq., Washington, D. C.,
Counsel for Broadview NP Acquisition Corp. d/b/a Broadview Net Plus

Mark C. Beyer, Manager, Leo M. Lim, Supervising Accountant and Accountant , Office
of the Economist on behalf of the Staff of the Board of Public Utilities

BY THE BOARD:

Broadview NP Acquisition Corp. d/b/a Broadview Net Plus ("BVNPAC" or "Petitioner"), a Delaware corporation and a public utility subject to the jurisdiction of the Board, filed a petition on September 25, 2002, pursuant to N.J.S.A. 48:3-7 and 48:3-9, requesting approval to be added as a Borrower under the existing amended Loan and Security Agreement ("Loan Agreement") which is currently in place among BVNPAC's parent corporation, Broadview Networks Holdings, Inc. ("BNHI"), certain other subsidiaries of the parent corporation, and various lenders.

Petitioner is authorized to provide local exchange and interexchange services in the State of New Jersey pursuant to the Board's Order of Approval issued in Docket No. TE02040253 on August 7, 2002.

The Loan Agreement consists of: (1) a revolving credit facility pursuant to which a maximum of \$15 million may be borrowed; and (2) a term loan facility pursuant to which a maximum of \$80 million may be borrowed, both which must be repaid by December 31, 2008. The applicable interest rates are a combination of a base rate and a margin. The base rate is either the higher of the corporate base rate quoted by the Wall Street Journal or the federal funds rate plus 50 basis points, or London Interbank Offering Rate (LIBOR). Certain other subsidiaries of BNHI including BVNPAC's affiliate, Broadview Networks, Inc. ("BNI"), are Borrowers, under the Loan Agreement. Both BNHI and BNI granted a security interest in their

assets as security for payment of the loans. The purpose of this Petition is to request approval from the Board for the addition of BVNPAC as a Borrower under the Loan Agreement, and for BVNPAC to grant a security interest in its assets as security for payment of the loans.

The proceeds of both the revolving credit facility and the term loan facility may be used for: (i) capital expenditures; (ii) working capital and general corporate purposes; (iii) the prepayment of existing indebtedness owed to NTFC Capital Corporation (a Lender); and (iv) transaction costs. The funds are being provided to finance the build-out and expansion by BVNPAC and the existing Borrowers of a telecommunication network in several markets located primarily in the Northeast.

Petitioner avers that this financing arrangement will provide BVNPAC with the financial resources needed to produce new products and services and respond to the highly competitive telecommunications environment.

The Board, after investigation, having considered the record submitted in this proceeding, being satisfied with the action proposed to be taken by Petitioner as indicated above and finding that the transaction is to be made in accordance with law and is not contrary to the public interest, and approving the purposes thereof, **HEREBY ORDERS** that Broadview NP Acquisition Corp. d/b/a Broadview Net Plus is **HEREBY AUTHORIZED** to participate in the financing arrangements described herein and to be added as a Borrower under the Loan Agreement.

This Order is issued subject to the following Provisions:

1. This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.
2. Petitioner shall file statements for the amounts and use of the proceeds pursuant to N.J.A.C. 14:1-5.9 (b).

3. This Order shall not affect, or in any way limit the exercise of the authority of this Board, or of the State, in any future petitions or in any proceeding with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or any other matters affecting the Petitioner.

DATED: November 22, 2002

BOARD OF PUBLIC UTILITIES
BY:

[SIGNED]
JEANNE M. FOX
PRESIDENT

[SIGNED]
FREDERICK F. BUTLER
COMMISSIONER

[SIGNED]
CAROL J. MURPHY
COMMISSIONER

[SIGNED]
CONNIE O. HUGHES
COMMISSIONER

[SIGNED]
JACK ALTER
COMMISSIONER

ATTEST:

[SIGNED]
KRISTI IZZO
BOARD SECRETARY